

A Work Project, presented as part of the requirements for the Award of a Master Degree in
Management from the NOVA – School of Business and Economics.

FIRM'S ACCOUNTABILITY:
DOES IT CHANGES THE IMPACT CSR MOTIVATIONS HAVE
ON CONSUMER'S PURCHASE INTENTION?

JOANA MARIA DA SILVA GONÇALVES MIRANDA, 27308

A Project carried out on the Master in Management Program, under the supervision of:

Professor Joana Story

JANUARY 2018

Firm's Accountability: Does It Changes the Impact CSR Motivations have on Consumer's Purchase Intention?

Abstract

Today's economic and social conjuncture has led to a change in companies' approach and consumers' perception towards Corporate Social Responsibility (CSR). This dissertation studies the impact that CSR perceived motivations have on consumers' purchase intention and the effect firm's accountability has in this relationship. Results demonstrate that motivations solely do not impact consumers' purchase intention. Nevertheless, consumers' purchase intention is enhanced when values and stakeholder motivations are perceived and when firms are accountable. This moderating effect of accountability demonstrates that managers, to improve financial outcomes, should adapt their CSR communication strategy, focusing it on stakeholders' demands and firm's social values.

Key Words: CSR, CSR Motivations, Consumer's Purchase Intention, Firm's Accountability

Acknowledgments

I would like to express my particular thanks for all the support and strength I received from my professors from Nova, my advisor Joana Story, my family, and my friends. To my advisor, Professor Joana Story, who guided me, supported my ideas, shared her wide knowledge with me, and allowed me to grow academically. To my family that believed and backed me on my academic path since the beginning to assure the best future for myself. To my friends that supported me throughout the entire process and that helped me spreading my online survey. I would like to express my gratitude, as well, to all the participants of my survey who took five minutes to answer it. It was a huge help and, without them, I would never have gathered the required information for my thesis. For all of these and to all of them, thank you so much, it would not have been possible without your encouragement and inspiration.

Table of Contents

Introduction.....	3
Literature Review.....	5
Methodology.....	11
Results.....	14
Discussion.....	16
Conclusion	20
Appendices.....	21
Bibliography	22

Introduction

“In the past decade, we’ve witnessed a stunning transition as [CSR] evolved from a nice-to-have silo to a fundamental strategic priority for businesses large and small. More recently, we’ve watched as companies went beyond their own walls, using their influence to advocate for global solutions around issues such as climate change, education, poverty, and equal and human rights.” (McPherson 2017, 1). Global consumers’ consciousness towards these social issues has been increasing, leading to a rise of consumers’ awareness over the negative impacts that a single human action can bring to the planet, contributing to a socially responsible consumption behavior (Grau and Folse 2007). As a consequence, companies are under a rising pressure to engage in a CSR behavior (Mohr, Webb, and Harris 2001) and, in fact, the number of socially responsible companies is increasing (Vartiak 2016). CSR has been, and will remain, in the limelight because of the impact it can have on consumers’ attitudes and on the overall society.

A socially responsible engagement can actually represents a competitive advantage for firms by increasing consumer-company identification (Bhattachary and Sen 2001; Marin, Ruiz, and Rubio 2008), strengthening stakeholder-company relationship (Du, Sen, and Bhattacharya 2007), increasing consumers’ purchase intention (Mohr et al. 2001; David, Kline, and Dai 2005; Becker-Olsen, Cudmore, and Hill 2006), improving financial performance (Inoue and Lee

2011), company's image (Yoon, Gürhan-Canli, and Schwarz 2006), and brand equity (Hoeffler and Keller 2002). Even though consumers reward firms for this social commitment, they are more likely to penalize firms for their unethical behavior than prize them for a proper one (Creyer and Ross 1996; Mohr et al. 2001). Therefore, consumers' perceptions towards CSR practices can lead to a positive or a negative attitude towards the brand, influencing their behavior afterwards (Ellen, Webb, and Mohr 2006).

Consumers' responses will depend on the egoistic and altruistic attributions they will make at the attributed motive behind each CSR practice (Webb and Mohr 1998; Handelman and Arnold 1999; Bhattacharya and Sen 2004). However, perceiving the real intent of firms' CSR engagement is truly difficult, or even impossible (Manne and Wallich 1972). According to Ellen et al. (2006), strategic (related to the business itself) and values (connected to the moral duty) perceived motives drive a positive answer on consumers, such as a positive brand attitude and a higher purchase intention. On the contrary, negative behaviors, such as a higher skepticism, will be triggered by egoistic perceived motivations (connected to the exploration of social causes) and stakeholders perceived motives (related to stakeholder's pressures). Nevertheless, due to the complexity of CSR actions, consumers may infer multiple motivations regarding the same initiative (Öberseder, Schlegelmilch, and Gruber 2011), leading to a variety of different reactions. This mixed combination of perceptions leads to more positive responses towards firms CSR engagement (Ellen et al. 2006). Thus, studying these unpredictable impact CSR motivations have on consumers' perceptions, that subsequently influence their behavior, is crucial for companies. Firms' complex actions can have a variety of reactions from consumers, if these reactions could be easier predicted and understood, firms' outcomes could increase.

Hence, the goal of this work project is to understand the influence that perceived CSR motivations have on consumers' purchase intention, taking into account the level of firms'

perceived accountability. Previous research mention variables that impact consumers' perceptions regarding the motivation and variables that enhance consumer's buying intent. Nevertheless, there are few studies about the impact that the variable accountability has on the relation between underlying CSR motivations and consumer's purchase intention. By studying this accountability's moderator effect, through an experimental study, a gap in previous literature can be fulfilled and important outcomes for managers can be assessed. Nowadays, the free flow of information demands a more careful communication strategy formulation. That is why this dissertation is extremely helpful, by providing inputs about which CSR motivations are relevant and how accountability is important to enhance consumers' purchase intention, improving social and financial CSR outcomes. To achieve better results, companies need to invest on other-centered motivations and on accountability: being responsible, transparent, altruistic, and ethical can highly increase the CSR performance.

Literature Review

CSR is “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (Commission of the European Communities 2001, 6). It has been an object of study since the 1930s, with a greater focus on the 90s, when it became a universal concern and begun to develop a real role within governmental and non-governmental corporations (Lee 2008). The evolution of this topic has not only occurred at a conceptual level, but mostly at an operational one (Dahlsrud 2006). Stakeholders started to understand the tight relationship between CSR and the bottom-line performance, approving and supporting more easily these practices (Meyer and Rowan 1977). Therefore, corporations have been changing their mindset, exchanging social duties into business opportunities (Drucker 1984) and considering CSR as a win-win situation in which corporate resources are devoted to social causes in order to obtain benefits for the society and for the firm itself (Drumwright and Murphy 2001; Smith 2003).

Consumer's purchase intention, i.e. the likelihood of consumers plan a future purchase of a product or a service (Wu, Yeh and Hsiao 2011; Diallo 2012), is one of the positive outcomes of firm's CSR engagement (Mohr et al. 2001; David et al. 2005; Becker-Olsen et al. 2006). Consumer's purchase behavior can be influenced by diverse endeavors (Ellen et al. 2006), for instance a positive brand attitude (Romaniuk and Sharp 2003), the fit within firm's core business and the social cause (Varadarajan and Menon 1988; Hoeffler and Keller 2002; Becker-Olsen et al. 2006), the timing, if it is a proactive or a reactive social initiative (Becker-Olsen et al. 2006), and the firm's commitment, meaning the durability, the amount of input and the consistency of the action (Dwyer, Schurr, and Oh 1987). Also, the reputation of the firm (Bhattacharya and Sen 2004) and cause-related marketing (CRM) (Folse, Niedrich, and Grau 2010) are other factors impacting consumers' evaluations and potential actions. "The socially conscious consumer [is] a consumer who takes into account the public consequences of his or her private consumption or who attempts to use his or her purchasing power to bring about social change" (Webster 1975, 188). Although the number of socially responsible consumers is increasing, mainly because of the global conjuncture we live in (Grau and Folse 2007), it is important to understand if consumers' purchase intention is related to inner beliefs and values or if it is directly affected by firm's CSR commitment and motivations.

Firms engage in CSR for a variety of reasons: to produce favorable attitudes, to build corporate's image, to generate financial support behaviors such as purchase intention and investments, among others (Du, Bhattacharya and Sen 2010). Ellen et al. (2006) combined all of these possible motives that drive firms to perform in a socially responsible way into four main categories: Strategic, Egoistic, Values, and Stakeholder-driven motivations. Each motivation leads to different reactions, influencing consumer's purchase intention (Ellen et al. 2006).

Strategic Motivation

Strategic motivation is perceived when the CSR engagement is directly related to the business purpose of a firm. Ellen's et al. (2006) research supports that strategic motivation occurs when a company engages in CSR to increase sales or profit, being considered as a self-centered motivation. This motivation is characterized by a high fit between the social cause and the core business (Fein 1996) and a low commitment (Varadarajan et al. 1988). The impact on consumer's behavior is positive because consumers accept this as a strategic goal inherent to business and so, when consumers infer strategic attributions to the CSR practice purchase intention will increase (Whetten and Mackey 2002; Ellen et al. 2006). A high fit leads to a higher purchase intention as well (Becker-Olsen et al. 2006). Therefore, hypothesis 1A is proposed:

H_{1A}: Firm's perceived CSR strategic motivation affects positively customer's purchase intention.

Egoistic Motivation

Egoistic motivation is perceived when a company engages in CSR to take advantage of a social cause or non-profit organization for itself (Ellen et al. 2006). A low fit (Fein 1996) and a low commitment (Varadarajan et al. 1998) can be perceived by this self-centered motivation. A negative behavior will be triggered because consumers will consider firm is exploiting the cause rather than supporting it and because a low fit induces suspicion, which will decrease purchase intention (Becker-Olsen et al. 2006; Ellen et al. 2006; Vlachos, Tsamakos, Vrechopoulos, and Avramidis 2009).

H_{1B}: Firm's perceived CSR egoistic motivation affects negatively customer's purchase intention.

Values-driven Motivation

Values-driven motivation is perceived when a company engages in CSR because it believes that CSR is the right thing to do (Ellen et al. 2006). It is an other-centered motivation that positively impacts consumers' intentions because altruistic attributions are easily perceived by consumers. It is characterized by a high fit (Fein 1996) and a high commitment (Varadarajan et al. 1998). Hence, this philanthropic behavior and social caring leads to a higher purchase intention (Becker-Olsen et al. 2006; Ellen et al. 2006).

H_{1C}: Firm's perceived CSR values motivation affects positively customer's purchase intention.

Stakeholder-driven Motivation

Stakeholder-driven motivation is perceived when a company engages in CSR because of pressures from stakeholders, being characterized by a low commitment (Varadarajan et al. 1998). Consumers are not positively impacted when firms behave responsibly only to meet their expectations and to avoid penalties, instead of behaving this way to improve society and to pursue its social duties. Hence, when stakeholder motivation is perceived, negative behaviors will be triggered and so, purchase intention will decrease (Ellen et al. 2006; Vlachos et al. 2009).

H_{1D}: Firm's perceived CSR stakeholder motivation affects negatively customer's purchase intention.

The moderating impact of accountability

Forehand and Grier (2003) stated that purchasers do not respond undesirably due to extrinsic motivations, but rather to the way they are communicated. Hence, firm's communication is a key factor to generate positive CSR outcomes. Nevertheless, this represents one of the biggest challenges firms need to embrace in today's commercial and marketing context (O'Sullivan 1997). Finding the right balance on how to communicate firm's CSR

practices, in order to evoke a positive answer on consumers, is a complex topic. If a company does not communicate its CSR commitment, besides the lack of consumer's awareness, consumers may think the firm is hiding something, inducing a skeptic behavior. On the other hand, if a company overworks this topic, consumers may understand it as a social cause's exploration (O'Sullivan 1997). Also, the lack of consistency between firm's commitments and real actions, the rising examples of misconduct and irresponsible actions, as for example the Volkswagen emissions scandal in 2015, and the numerous and inconsistent information that consumers receive from all directions about firms and its CSR contributions, produce difficulties on understanding the real reasons behind each action, enhancing the need of a wise and well-structured CSR communication strategy (Forehand and Grier 2003; Bernstein 2009; Parguel, Benoît-Moreau and Larceneux 2011). Companies have been resorting mainly to CSR reporting practices in order to disclose information to stakeholders, but its relevance and trustworthiness has been censured (Husillos, Larrinaga, and Álvarez 2011). On one hand, CSR reporting may be perceived as a way to improve corporate's image or to transmit an image apart from the truth (Hopwood 2009; Boiral 2013) and to influence stakeholder's perceptions towards CSR engagement (Dawkins and Fraas 2011). On the other hand, disclosing CSR information may be positively observed by confirming firm's transparency and increasing stakeholder's commitment on the CSR process, leading to a better financial and social outcome (Unerman, Bebbington, and O'Dwyer 2007; Spence 2009).

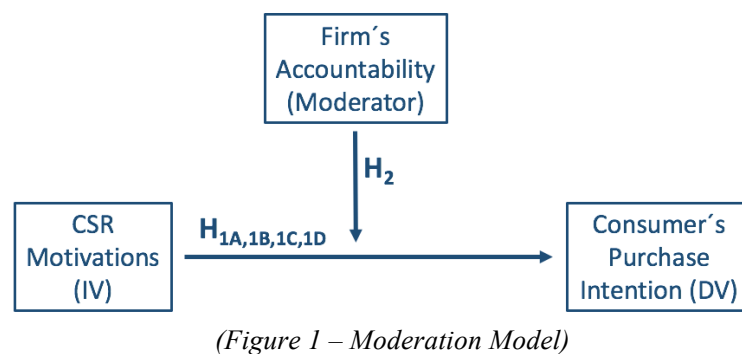
Therefore, and following the latter point of view on this topic, firm's accountability, i.e. taking responsibility for its actions (Grant and Keohane 2005), can be essential to trigger more positive CSR outcomes and to improve its effectiveness and consumer's responses as well as purchase intention. Moreover, firm's accountability may have a moderator effect on the relation between CSR motivations and consumer's purchase intention. A moderator variable "affects the direction and/or strength of the relation between an independent [...] and a dependent [...]"

variable” (Baron and Kenny 1986, 1174). For instance, firm’s accountability enriches consumer’s trust on brands, which can increase consumer’s purchase intention (Vlachos et al. 2009). Additionally, and taking into account each CSR motivation, accountability can have a singular impact on each one of them, hence hypothesis 2 is proposed:

H₂: The effect of perceived CSR strategic (H_{2A}), values (H_{2B}), egoistic (H_{2C}), and stakeholder (H_{2D}) motivations on customer’s purchase intention is moderated by the level of firm’s accountability.

Considering the strategic motivation, firm’s accountability can encourage purchase intention by demonstrating that firms are trying to find an equilibrium between business and social goals. Society holds the belief that business exists to make profit (Carroll 1979). If this economic responsibility is ethically performed, consumers will probably reward the firm. Therefore, the correlation between perceived strategic motivation and consumer’s purchase intention will be stronger with firm’s accountability (H_{2A}). An enhancing moderating effect may exist on values motivation because consumers will probably doubt less of firm’s real intentions. When consumers recognize that a firm is morally committed, purchase intention can increase substantially. Thus, accountability will reinforce the relationship between perceived values motivation and purchase intention (H_{2B}). Thirdly, when considering egoistic motivations, that trigger negative consumer’s behaviors, the undesirable effect may be reversed if consumers know that firms take responsibilities for each action and are transparent. A change of direction will be created by accountability on the impact of perceived egoistic motivation on consumer’s purchase intention (H_{2C}). Lastly, accountability can have an impact on purchase intention when considering stakeholder motivation as well. If consumers understand that the firm is making efforts to achieve their social demands, not only due to their pressures, they will be more satisfied and fulfilled, improving their buying intention, inverting the negative impact that stakeholder motivation has on buying intention (H_{2D}).

To conclude, there is a need to deepen the knowledge on the role that firms' motivations and social engagement play on customer's purchase intention and the impact of firms' accountability for its CSR outcome. This is important to help firms understand the different type of CSR strategies firms should pursuit, and how to communicate them, in order to improve social and financial outcomes. For this, the model presented on *Figure 1* was constructed to better assess the presented research hypotheses.



Methodology

The methodology used in this study involved the collection of answers throughout a survey (*Appendix 1*) spread on social media about a fictitious company and four different CSR scenarios (*Appendix 2*), addressed randomly to each respondent. This experimental method was based on previous studies of Ellen et al. (2006) and Lii and Lee (2012).

It is a quantitative study because it aims to measure the impact of some variables by testing the validity of formulated hypotheses and by analyzing the data statistics (Creswell 2012). The online survey was the chosen research method because it allows an easy and fast collection of quantitative data that can be statistically analyzed through programs such as SPSS. The creation of a fictional firm was a crucial aspect in order to avoid any response bias related to potential prejudices arising from previous contact with the firm (Lii and Lee 2012).

Measures

FitsYou, the fictitious firm used on the survey, is a fashion house. Its mission is to provide the best-quality and comfort clothes in an affordable way, enhancing the self-esteem while preserving the personality of each consumer. Each CSR scenario created is allusive to one of the four different firm's motivations described by Ellen et al. (2006). The first scenario (*Appendix 2.1*) is a CRM practice related to the strategic motive of increasing profits by encouraging consumers to buy: for each piece of clothing a consumer buys, 10 % of the price will revert to donate new clothes to people in need. This practice shows a high fit between the cause and the core business of FitsYou and a low commitment because there is not a big effort from firm. The second scenario (*Appendix 2.2*) describes a practice that is aligned with FitsYou's values (values-driven motive): the firm describes the efforts to use 100 % of renewable energies during the production process. High fit and high commitment can be perceived in this way of running the business, allowing the consumer to understand it as a values-driven motivation. In the third scenario (*Appendix 2.3*), low fit and low commitment practices were described in order to exemplify an egoistic motive for doing CSR: the donation of money to the preservation of elephants' species and the distribution of food to people in need. Lastly, the fourth scenario (*Appendix 2.4*) describes the stakeholder-driven motivation: FitsYou proposes a campaign meaningful and chosen by the employees, in this specific case, it was the donation of money to secondary schools to improve educational conditions. This practice implies a low commitment because it is a short-term initiative with a small required sacrifice.

In order to analyze the answers of the questionnaire, a 5 point Likert-scale (1- Strongly Disagree; 5- Strongly Agree) was used to assess the level of agreement by the respondents. The dependent variable (DV) of this study is consumer's purchase intention (PUR). This continuous variable was measured through items such as "I will purchase from FitsYou the next time I

need a product”, based on Putrevu and Lord (1994), and Wongpitch et al. (2016). This scale revealed a reliability of 0.844. Lastly, the moderator variable (MOD) is firm’s accountability (ACC). “I will purchase from FitsYou as long as FitsYou is audited for its socially responsible undertakings” (Iscioglu 2009) is an example of a sentence presented on the survey to measure this variable. This scale serves as a good predictor with a reliability of 0.710.

Procedure

After collecting the desirable answers, the data was transferred from Qualtrics to SPSS in order to be cleaned, organized and validated. To study if there is a right consumer’s perception towards FitsYou’s drives, the answers related to each motivation were examined and compared in each scenario. To assess the validity of $H_{1A,1B,1C,1D}$ an ANOVA was performed (DV: PUR; factor: MOT). Through ANOVA is possible to understand if the variables are correlated with each other or not. In order to evaluate the moderating effect, statistical analysis such as Linear Regression and analysis through Process Macro were performed. Since Regression requires numeric independent variables (IV) and the IV is categorical, it was necessary the creation of 3 dummy variables (IV with 4 categories). Accordingly, a reference group (when all the other groups have a value of 0) was chosen to serve as a comparison term. The reference group is based on CSR strategic motivation because it is the most generic motivation. By definition, it is the CSR motivation that better combines both social and financial outcomes, the one that is better related to the purpose of a firm (Whetten and Mackey 2002), and the CSR motivation that best induces a competitive environment (European Commission 2008). In this statistical technique two models were tested and compared in order to understand which IVs better predict the DV. Therefore, for both models the DV was PUR. In the first model MOT (dummy ones) and ACC were the IVs. In the second model the interaction terms (the three dummy motivations multiplied by centered accountability) were used as IVs. Accountability was mean centered so that the correlation between the interaction

terms could be lessened and to improve the results interpretation (Hayes 2013). Lastly, Process Macro analysis was performed because it helps to understand this moderating effect in more detail and gives data to construct an explanatory plot. Although the relation of the gender factor with CSR and with purchase intention is controversial among scholars (Atakan, Burnaz, and Topcu 2008), the variable “gender” was added as a covariate variable in order to improve the model (DV: PUR; IV: MOT; MOD: ACC; COV: GENDER). After running this analysis, a plot was constructed to better assess the results.

Results

A total of 406 completed answers were gathered. The majority of the respondents had an age between 18 and 24 years-old (77.6%) and 60.5% of the sample were female, 39.5% were male. Out of the whole sample, 101 respondents were addressed to the strategic CSR program of FitsYou, 106 to values, 104 to egoistic and 95 to stakeholder-driven motives.

After comparing the means related to each motivation, it is possible to conclude that there is a validation of the scenarios because the CSR motivation presented and the perception of the respondent were identical. At least one sample item shown a higher level of agreement on the motivation that was presented on FitsYou’s CSR program, when compared with the means of the other motivations and the overall average.

According to the results of ANOVA, H_{1A} , H_{1B} , H_{1C} , and H_{1D} cannot be validated, meaning that the type of CSR motivation does not affect consumer’s purchase intention, there is no variation on purchase intention within each group.

	df	F	Sig.
Between Groups	3	1,172	,320
Within Groups	402		
Total	405		

(Table 1: ANOVA)

According to Regression's results, there is a significant change on R^2 on Model 2, when the interactions terms are added, meaning that the relationship between CSR motivations and consumer's purchase intention is improved when the variable accountability is added, validating H_2 .

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate	Change Statistics				
					R^2 Change	F Change	df1	df2	Sig. F Change
1	,328 ^a	,108	,099	,66749	,108	12,088	4	401	,000
2	,355 ^b	,126	,110	,66313	,018	2,764	3	398	,042

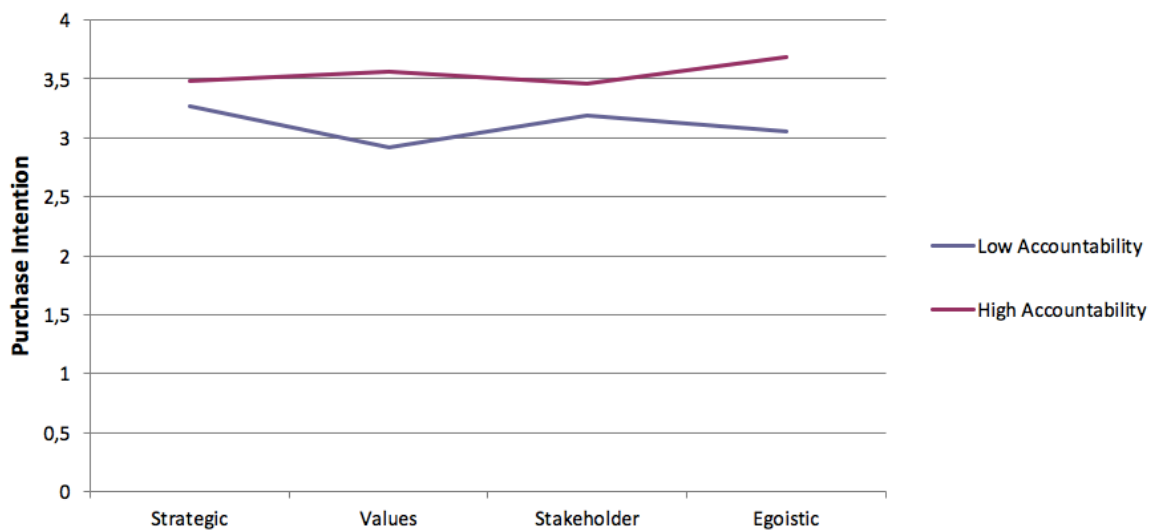
(Table 2: Regression Analysis)

According to Process's results, accountability has a significant moderator effect only for values and stakeholder-driven motivations. No significant interaction was observed with CSR egoistic motivation. Thus, only H_{2B} and H_{2D} can be supported with this study. The validity of H_{2A} cannot be assessed because it is related to the baseline category, the strategic motivation. H_{2C} cannot be confirmed with this study.

	coeff	t	p
Constant	3,2134	27,5381	,0000
Gender	,1028	1,4918	,1366
ACC	,1717	1,6930	,0912
VAL	-,1366	-1,4968	,1352
EGO	-,0530	-,6254	,5321
STK	-,0118	-,1187	,9055
VAL*ACC	,3355	2,0043	,0457
EGO*ACC	,0317	,2278	,8199
STK*ACC	,3194	1,9477	,0522

(Table 3: Process Macro Analysis)

The following figure allows the comprehension of the moderating effect on consumer's purchase intention according to each CSR motivation. The model was constructed through an excel spreadsheet designed by Jamie De Coster and Anne-Marie Leistico (2007) in order to simplify the designing process. Only values and stakeholder-driven motivations will be analyzed.



(Figure 2 – Moderation Plot)

Discussion

Theoretical and Practical Applications

The right consumers' perception of the presented CSR motivation demonstrates that the respondent understood the correct motive behind each FitsYou's campaign. Foreseeing consumers' perceptions and behaviors allows firms to increase the expected outcomes. For this, clear and concise CSR practices are vital to decrease consumers' unpredictability, enabling them to perceive easily the right motivation the firm is trying to communicate, and behave accordingly. Nevertheless, the difference within answers' means is not deeply pronounced, likely because it is extremely complex for a consumer to understand the real intentions behind each action of a firm (Manne and Wallich 1972) and because consumers often infer more than one motivation from the firms (Ellen et al. 2006). Hence, this finding may not be true in all cases, perhaps may differ according to the CSR practice or according to consumer traits and attitudes towards the company.

Secondly, in contradiction with previous studies (Whetten and Mackey 2002; Ellen et al. 2006; Vlachos et al. 2009), perceived CSR motivations do not impact consumer's purchase intention (*Table 1*). This conclusion serves to demonstrate that this relationship likely depends on several different variables and vary accordingly with different models. Many factors may

have influenced this outcome, such as the method used, the sample size and demographics, the clothing industry specificity, and the lack of consumer-company identification. Moreover, because motives are difficult to perceive, it is inherently difficult to quantify and analyze their impact on customer's purchase intention.

The novelty of this experimental study is the fact that accountability moderates the relation between CSR motivations and consumer's purchase intention. Nevertheless, this moderating effect exists only when considering two types of motivations (*Table 3*): the values and the stakeholder-driven motivations. According to the graph (*Figure 2*), accountability works as an enhancing moderator effect on these two motivations, meaning that when accountability increases, the effect of these specific CSR motivations on consumers' buying intention increases as well. In fact, if firms act responsibly, disclose information, and transmit sincere messages, customers will have more trust on the firm and on its actions, improving their brand image and their willingness to purchase (Vlachos et al. 2009). It is not by chance that accountability is one of the main priorities of the European Commission CSR strategy (2011-14). The positive outcomes are validated, being consistent with the positive overview on CSR accountability of Unerman et al. (2007) and Spence (2009). This can have crucial implications for CSR communication strategy of firms. Managers must have into account the motivation behind the CSR program, and adapt the firm's communicating strategy to it.

Considering the two motivations previously mentioned, it is important to make a transparent and liable campaign in order to build accountability and improve consumers' responses. The positive correlation between accountability and purchase intention found under values' motivation is expected, if firms are coherent with their principles during the operating process, and if these principles are altruistic and other-centered, companies take great benefit on communicating it to stakeholders because the likelihood of producing positive responses is extremely high. Looking at the graph, it represents the group with the lowest purchasing

intention, meaning that when firm's accountability is low, consumers are skeptical about the firms' purposes, decreasing their intention to buy. Also, this is the motivation with the greatest difference within purchase intention when accountability varies, strengthening the idea that low accountability towards this motivation will have greater consequences. When considering CSR stakeholders' motivation, firms are socially behaving because they know that these commitments are important and are expected by the stakeholders. If this engagement is well communicated and if the company is capable to show that is not reacting to pressures, but is behaving accordingly to their social values and duties, stakeholders are going to respond positively because they see the firm is making social efforts to fulfill not only their demands but also society's ones. Hence, pleased stakeholders will drive positive financial outcomes, as expected. Nevertheless, following Ellen's et al. (2006) and Vlachos' et al. (2009) scholarships, the impact of this motivation on consumer's purchase intention should be negative, contradicting this study.

Taking into account these conclusions, it is possible to understand the need for companies to clearly release information of their CSR initiatives that are related to the company's values and core business and that are important to the stakeholders. Communicating a strong and personalized message, connected to altruistic reasons, enhances the credibility of the firm, the success of the communication, and the CSR engagement will be better captured. It is easier to be accountable when a firm is dealing with altruistic motivations (values and stakeholder motivations) than when is dealing with self-centered ones, that can be easier perceived negatively despite the transparent message. With the free flow of information, originated mainly by Internet and Globalization, companies' actions are more and more observable, increasing the demand for transparency so that significant returns can be generated (Pohle and Hittner 2008). Concise, understandable, and responsible information are mandatory requirements to foster good perceptions and conducts towards values and stakeholders' drives.

Effective and efficient CSR practices can lead to a right perception of the firms' motivations, as it is possible to understand with this study, being the first step for a successful CSR engagement. Then, an accurate communication strategy is essential, the content will influence perceptions, attitudes and behaviors. Thirdly, being accountable will drive greater responses, increasing firm's social impact and aftermaths.

Limitations and Future Research

One of the major restrictions founded during this dissertation was the low reliability of some measures. The low Cronbach's alpha (according to Nunnally (1978), the reliability should be 0.7 or superior) leads to poor predictions, restricting the feasibility of the conclusions, prompting to assumptions only and compromising the conclusions. Thus, in the future, a pilot test on the scenarios and survey needs to be performed in order to guarantee a clear and reliable survey with consistent variables and questions. Moreover, some bias on results could have been inferred with the presented CSR scenarios. Thus, a comparative analysis, showing more than one CSR scenario to be evaluated by the participant, could be an attractive avenue for future research. Showing only one scenario turns more difficult to understand if the right perception of consumers towards CSR motivation can be actually validated in all cases. Furthermore, the research methodology itself has some intrinsic limitations, such as the characteristics of the cohort and the period of time. The cohort in this study was mostly composed of students within my network, thus possibly influencing the conclusions. The results could have been different if this study was performed with a more demographically balanced sample, which for instance, would include more participants of older age groups, which could bring a more mature interpretation of CSR and its importance. Additionally, 406 participants are undeniably a small sample to aspire to take realistic conclusions. On another hand, the fact of being answered at a certain period of time, may infer bias as well, the results could have changed if the questionnaire was answered at another time-frame (Levin 2006). So, resorting to different research methods

could consolidate the conclusions mentioned formerly or even take new ones. Moreover, other moderating variables, such as the type of industry, consumers' age, brand prestige, type of support and social initiative, stakeholder's type, communication channels, and altruism personal trait could be studied. Such research could bring more interesting results with practical and important conclusions for companies.

Conclusion

To conclude, this study has demonstrated that customer's purchase intention does not vary accordingly to firm's CRS motivations, unless accountability is considered as a moderator factor, which adds new discoveries to preceding literature and challenges to some previous conclusions. Firm's accountability level was found to correlate with customer's purchase intention when the CSR program was related to values and stakeholder-driven motives, but not under strategic and egoistic CSR motives. Both values and stakeholder CSR motivations are other-centered, proving that when customers are aware of firm's CSR engagement and attribute altruistic motivations to it, they become more willing to purchase. CSR communication is a sensible and complex matter for companies, but, with this study, this challenge can be diminished. As long as a wise and accountable communication strategy towards these two motivations is designed, firms are able to exploit the potential financial and social CSR outcomes. Including moral duties into the overall strategy and answering and anticipating stakeholders' social expectations and demands proactively is crucial for the enlargement of CSR results on society welfare and on firms' performance.

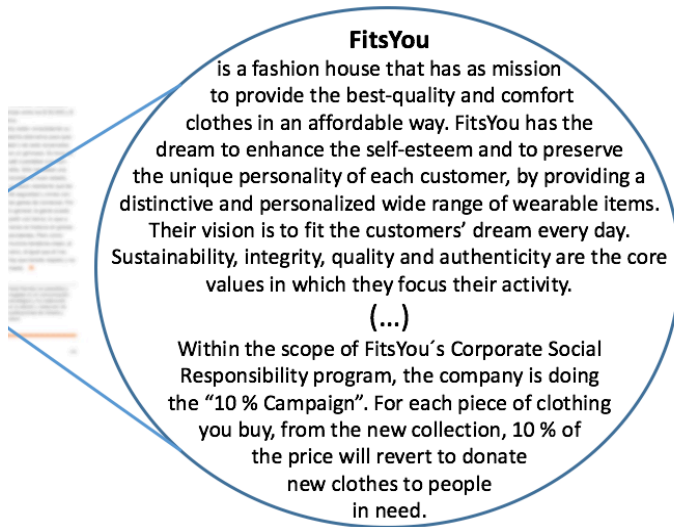
Appendices

- Appendix 1 – Online Survey

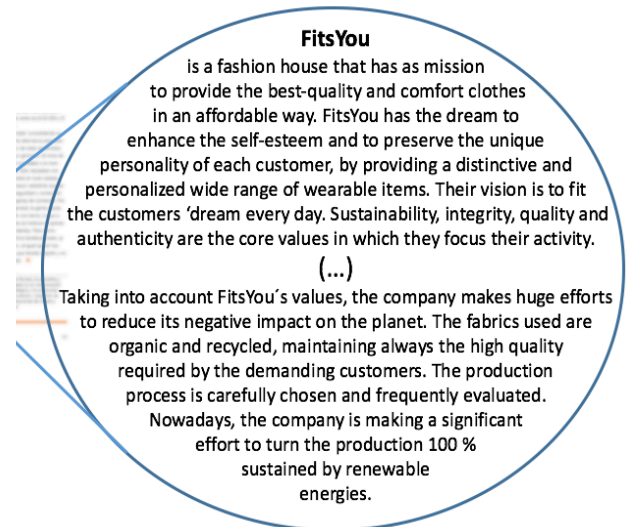
1. FitsYou really wants to improve society with its Corporate Social Responsibility Program (Question 1 to measure values-driven motivation: VAL1)
2. FitsYou is trying to give something back to the community with its CSR Program (VAL2)
3. FitsYou hopes to increase their profits with its CSR Program (STR1)
4. FitsYou hopes to keep more customers by making this CSR Program (STR2)
5. FitsYou feels their employees expect a socially responsible behavior (STK1)
6. FitsYou behaves in a socially responsible way because stakeholders expect it (STK2)
7. FitsYou is taking advantage of non-profit organizations to help its own business (EGO1)
8. FitsYou wants a tax write-off with this CSR Program (EGO2)
9. FitsYou's intentions are trustful (ACC1)
10. The motive of FitsYou in helping society with this CSR initiative is very questionable (ACC2 – reverse)
11. I expect the firms I deal with to act ethically at all times (Question to measure Altruism Level: ALT1)
12. Given a choice between two firms, one ethical and other not especially so, I would always choose to buy from the ethical firm (ALT2)
13. Whether a firm is ethical is not important to me in making my decision what to buy (ALT3 – reverse)
14. We can depend on getting the truth in most advertising (ACC3)
15. I will purchase from FitsYou as long as the money I spend for the product really goes to the cause (ACC4)
16. I will purchase from FitsYou as long as FitsYou is audited for its socially responsible undertakings (ACC5)
17. I will purchase from FitsYou even if FitsYou undertakes CSR just for profit (ALT4)
18. I will purchase from FitsYou as long as the consequences of FitsYou's support are announced to the public (ACC6)
19. If I need some product and the product is available, I will definitely buy it from FitsYou (PUR1)
20. It is very likely that I would buy from FitsYou (PUR2)
21. I will purchase from FitsYou the next time I need a product (PUR3)
22. Age:
 - a. Under 18
 - b. 18-24
 - c. 25-29
 - d. 30-50
 - e. Over 50
23. Gender:
 - a. Male
 - b. Female

- Appendix 2 – FitsYou CSR Scenarios:

- Appendix 2.1 – Strategic Motivation

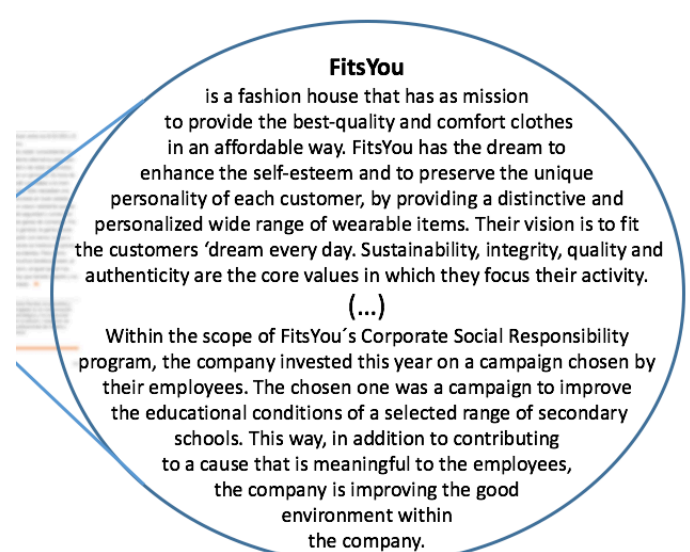
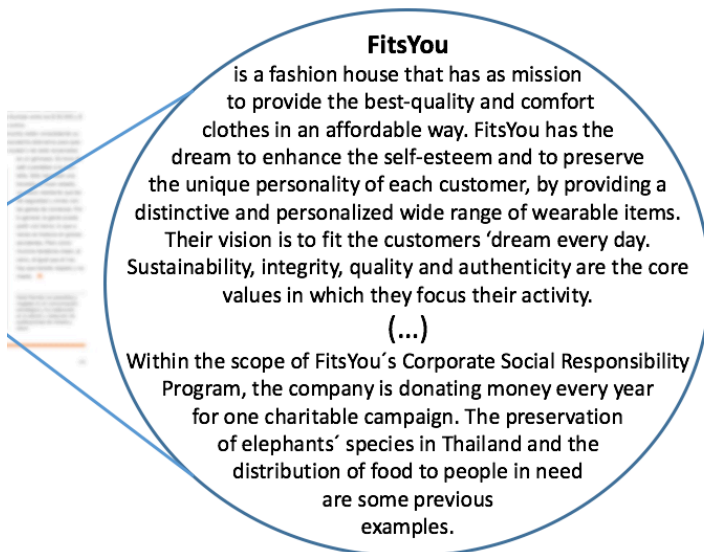


- Appendix 2.2 – Values-driven Motivation



- Appendix 2.3 – Egoistic Motivation

- Appendix 2.4 – Stakeholder-driven Motivation



Bibliography

- Atakan, M. G. Serap; Burnaz, Sebnem and Y. Ilker Topcu. 2008. "An Empirical Investigation of the Ethical Perceptions of Future Managers with a Special Emphasis on Gender – Turkish Case". *Journal of Business Ethics*, 82 (3): 573-586. 17 November 2017
- Baron, Reuben M. and David A. Kenny. 1986. "The Moderator-Mediator Variable Distinction in Social Psychological Research: Conceptual, Strategic, and Statistical Considerations", *Journal of Personality and Social Psychology*, 51 (6): 1173-1182. 11 December 2017
- Becker-Olsen, Karen; Cudmore, Andrew B. and Ronald P. Hill. 2006. "The Impact of Perceived Corporate Social Responsibility On Consumer Behavior." *Journal of Business Research*, 59: 46-53. 15 September 2017

- Bhattacharya, C. B. and Sankar Sen. 2001. "Does Doing Good Always Lead to Doing Better? Consumer Reactions to Corporate Social Responsibility". *Journal of Marketing Research*, 38: 225-243. 6 October 2017
- Bhattacharya, C. B. and Sankar Sen. 2004. "Doing Better at Doing Good: When, Why, and How Consumers Respond to Corporate Social Initiatives". *California Management Review*, 47: 9-24. 2 October 2017
- Boiral, Olivier. 2013. "Sustainability Reports as Simulacra? A counter-account of A and A+ GRI reports", *Accounting, Auditing and Accountability Journal*, 26 (7): 1036-1071. 10 December 2017
- Carroll, Archie B. 1979. "A Three-Dimensional Conceptual Model of Corporate Performance". *Academy of Management Review*, 4: 497-505. 10 October 2017
- Commission of the European Communities. 2001. "Green Paper: Promoting a European Framework for Corporate Social Responsibility", Brussels 10 December 2017
- Creswell, John W. 2012. *Educational Research: Planning, Conducting, and Evaluating Quantitative and Qualitative Research*. 4th Edition. Boston: Pearson Education. p. 13. 19 October 2017
- Creyer, Elizabeth H. and William T. Ross. 1996. "The Impact of Corporate Behavior on Perceived Product Value". *Marketing Letters*, 7 (2): 173-185. 6 October 2017
- Dahlsrud, Alexander. 2006. "How Corporate Social Responsibility is Defined: an Analysis of 37 Definitions." *Corporate Social Responsibility and Environmental Management*, 15: 1-13. 4 October 2017
- David, Prabu; Kline, Susan and Yang Dai. 2005. "Corporate Social Responsibility Practices, Corporate Identity, and Purchase Intention: A Dual-Process Model". *Journal of Public Relations Research*, 17 (3): 291-313. 7 October 2017
- Dawkins, Cedric and John W. Fraas. 2011. "Coming Clean: The Impact of Environmental Performance and Visibility on Corporate Climate Change Disclosure", *Journal of Business Ethics*, 100 (2): 303-322. 10 December 2017
- Diallo, M. F. 2012. "Effects of store brand price-image on store brand purchase intention: Application to an emerging market". *Journal of Retailing and Consumer Services*, 19: 360-367. 5 October 2017
- Drucker, Peter F. 1984. "The new meaning of Corporate Social Responsibility". *California Management Review*, 59 (4): 53-63. 9 October 2017
- Drumwright, Minette E. and Patrick E. Murphy. 2001. "Corporate Societal Marketing". In *Handbook of Marketing and Society*, edited by Paul N. Bloom and Gregory T. Gundlach. London: SAGE Publications, 162-183. 9 October 2017
- Du, Shuili; Bhattacharya, C. B. and Sankar Sen. 2007. "Reaping Relational Rewards from Corporate Social Responsibility: The Role of Competitive Positioning". *International Journal of Research in Marketing*, 24: 224-241. 4 October 2017
- Du, Shuili; Bhattacharya, C. B. and Sankar Sen. 2010. "Maximizing Business Returns to Corporate Social Responsibility (CSR): The Role of CSR Communication". *International Journal of Management Reviews*, 8-19. 1 November 2017
- Dwyer, F. Robert; Schurr, Paul H. and Sejo Oh. 1987. "Developing Buyer-Seller Relationship". *Journal of Marketing*, 51 (2): 11-27. 4 October 2017
- Ellen, Pam Scholder; Webb, Deborah J. and Lois A. Mohr. 2006. "Building Corporate Associations: Consumer Attributions for Corporate Socially Responsible Programs." *Journal of the Academy of Marketing Science*, 34: 147-157. 16 September 2017
- European Commission, 2008. "European Competitiveness Report", Luxembourg. 106-119. 11 November 2017
- European Commission. 2011. "Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A Renewed EU Strategy 2011-2014 for Corporate Social Responsibility", Brussels. 1-15. 11 November 2017
- Fein, Steven. 1996. "Effects of Suspicion on Attributional Thinking and the Correspondence Bias". *Journal of Personality and Social Psychology*, 70 (6): 1164-1184. 27 December 2017

- Folse, Judith A. Garretson; Niedrich, Ronald W. and Stacy Landreth Grau. 2010. "Cause-Relating Marketing: The Effects of Purchase Quantity and Firm Donation Amount on Consumer Inferences and Participation Intentions". *Journal of Retailing*, 86 (4): 295-309. 9 October 2017
- Forehand, Mark R. and Sonya Grier. 2003. "When Is Honesty the Best Policy? The Effect of Stated Company Intent on Consumer Skepticism". *Journal of Consumer Psychology*, 13 (3): 349-356. 11 October 2017
- Grant, Ruth W. and Robert O. Keohane. 2005. "Accountability and Abuses of Power in World Politics". *American Political Science Review*, 99 (1): 29-43. 11 December 2017
- Grau, Stacy Landreth and Judith Anne Garretson Folse. 2007. "Cause-Related Marketing (CRM): The Influence of Donation Proximity and Message-Framing Cues on the Less-Involved Consumer". *Journal of Advertising*, 36: 19-33. 10 October 2017
- Groza, Mark D.; Pronschinske, Mya R. and Matthew Walker. 2011. "Perceived Organizational Motives and Consumer Responses to Proactive and Reactive CSR." *Journal of Business Ethics*, 102: 639-652. 25 September 2017
- Handelman, Jay M. and Stephen J. Arnold. 1999. "The Role of Marketing Actions with a Social Dimension: Appeals to the Institutional Environment". *Journal of Marketing*, 63: 33-48. 6 October 2017
- Hayes, Andrew F. 2013. "SPSS Process Documentation". 30 October 2017
- Hoeffler, Steve and Kevin Lane Keller. 2002. "Building Brand Equity through Corporate Societal Marketing". *Journal of Public Policy and Marketing*, 21 (1): 78-89. 9 October 2017
- Hopwood, Anthony G. 2009. "Accounting and the Environment", *Accounting, Organizations and Society*, 34: 433-439. 10 December 2017
- Husillos, Javier; Larrinaga-González, Carlos and María José Álvarez-Gil. 2011. "The Emergence of Triple Bottom Line Reporting in Spain", *Spanish Journal of Finance and Accounting*, 40 (150): 195-219. 10 December 2017
- Inoue, Yuhei and Seoki Lee. 2011. "Effects of different dimensions of corporate social responsibility on corporate financial performance in tourism-related industries". *Tourism Management*, 32: 790-804. 8 October 2017
- Iscioglu, Tutku Eker. 2009. "Prerequisites to Increase the Purchase Intent for a Socially Responsible Company – Development of a Scale." *World Academy of Science, Engineering and Technology*, 3 (6): 1221-1230. 26 September 2017
- Lee, Min-Dong Paul. 2008. "A review of the theories of corporate social responsibility: Its evolutionary path and the road ahead." *International Journal of Management Reviews*, 10 (1): 53-73. 26 September 2017
- Levin, Kate Ann. 2006. "Study Design III: Cross-Sectional Studies". *Evidence-based Dentistry*, 7 (1): 24-25. 8 November 2017
- Lii, Yuan-Shuh and Monle Lee. 2012. "Doing Right Leads to Doing Well: When the Type of CSR and Reputation Interact to Affect Consumer Evaluations of the Firm". *Journal of Business Ethics*, 105 (1): 69-81. 28 September 2017
- Manne, Henry G. and Henry Christopher Wallich. 1972. *The Modern Corporation and Social Responsibility*. Washington DC: American Enterprise Institute for Public Policy Research. p. 8. 2 October 2017
- Marin, Longinos; Ruiz, Salvador and Alicia Rubio. 2008. "The Role of Identity Salience in the Effects of Corporate Social Responsibility on Consumer Behavior". *Journal of Business Ethics*, 84: 65-78. 6 October 2017
- McPherson, Susan. 2017. "6 CSR Trends to Watch in 2017." *Forbes*. <https://www.forbes.com/sites/susanmcpherson/2017/01/19/6-csr-trends-to-watch-in-2017/#4770cb59b1cc> 28 September 2017
- Meyer, John W. and Brian Rowan. 1977. "Institutionalized Organizations: Formal Structure as Myth and Ceremony". *American Journal of Sociology*, 83 (2): 340-363. 2 November 2017

- Mohr, Lois A.; Webb, Deborah J. and Katherine E. Harris. 2001. "Do Consumers Expect Companies to be Socially Responsible? The Impact of Corporate Social Responsibility on Buying Behavior". *The Journal of Consumer Affairs*, 35 (1): 45-72. 1 October 2017
- Nunnally, Jum C. 1978. *Psychometric Theory*. 2nd Edition. New York: McGraw Hill. p. 245. 31 October 2017
- O'Sullivan, Tom. 1997. "Why Charity Schemes need a Delicate Touch." *Marketing Week*, 20: 22. 2 November 2017
- Öberseder, Magena; Schlegelmilch, Bodo B. and Verena Gruber. 2011. "Why Don't Consumers Care About CSR? A Qualitative Study Exploring the Role of CSR in Consumption Decisions". *Journal of Business Ethics*, 104 (4): 449-460. 6 October 2017
- Parguel, Béatrice; Benoît-Moreau, Florence and Fabrice Larceneux. 2011. "How Sustainability Ratings Might Deter "Greenwashing": A Closer Look at Ethical Corporate Communication". *Journal of Business Ethics*, 102: 15-28. 11 October 2017
- Pohle, George and Jeff Hittner. 2008. "Attaining Sustainable Growth through Corporate Social Responsibility". *IBM Global Business Services: Institute for Business Value*. 15 November 2017
- Putrevu, Sanjay and Kenneth R. Lord. 1994. "Comparative and Noncomparative Advertising: Attitudinal Effects under Cognitive and Affective Involvement Conditions." *Journal of Advertising*, 23 (2): 77-91. 27 September 2017
- Romaniuk, Jenni and Byron Sharp. 2003. "Measuring Brand Perceptions: Testing Quantity and Quality". *Journal of Targeting, Measurement and Analysis for Marketing*, 11(3): 218-229. 10 December 2017
- Smith, N. Craig. 2003. "Corporate Social Responsibility: Not Whether, But How?". *California Management Review*, 45 (4): 52-76. 9 October 2017
- Spence, Crawford. 2009. "Social Accounting's Emancipatory Potential: A Gramscian Critique", *Critical Perspectives on Accounting*, 20 (2): 205-227. 10 December 2017
- Unerman, Jeffrey; Bebbington, Jan and Brendan O'Dwyer. 2007. "Introduction to Sustainability Accounting and Accountability". In *Sustainability, Accounting and Accountability*, edited by Unerman, Jeffrey; Bebbington, Jan and Brendan O'Dwyer. London: Routledge, 1-16. 15 December 2017
- Varadarajan, P. Rajan and Anil Menon. 1988. "Cause-Related Marketing: A Coalignment of Marketing Strategy and Corporate Philanthropy". *Journal of Marketing*, 52 (3): 58-74. 7 October 2017
- Vartiak, Lukas. 2016. "CSR Reporting of Companies on a Global Scale". *Procedia Economics and Finance*, 39: 176-183. 9 December 2017
- Vlachos, Pavlos A.; Tsamakos, Argiris; Vrechopoulos, Adam P. and Panagiotis K. Avramidis. 2009. "Corporate Social Responsibility: Attributions, Loyalty, and the Mediating Role of Trust". *Journal of Academy of Marketing Science*, 37 (2): 170-180. 11 October 2017
- Webb, Deborah J. and Lois A. Mohr. 1998. "A Typology of Consumer Responses to Cause-Related Marketing: From Skeptics to Socially Concerned". *Journal of Public Policy and Marketing*, 17 (2): 226-238. 6 October 2017
- Webster, Frederick E. 1975. "Determining the Characteristics of the Socially Conscious Consumer." *Journal of Consumer Research*, 2: 188-196. 1 October 2017
- Whetten, David A. and Alison Mackey. 2002. "A Social Actor Conception of Organizational Identity and Its Implications for the Study of Organizational Reputation". *Business and Society*, 41 (4): 393-414. 15 November 2017
- Wongpitch, Sunee; Minakan, Nawin; Powpaka, Samart and Tipparat Laohavichien. 2016. "Effect of corporate social responsibility motives on purchase intention model: An extension." *Kasetsart Journal of Social Sciences*, 37: 30-37. 17 September 2017
- Wu, Paul C. S.; Yeh, Gary Yeong-Yuh and Chieh-Ru Hsiao. 2011. "The effect of store image and service quality on brand image and purchase intention for private label brands". *Australasian Marketing Journal*: 19: 30-39. 9 October 2017
- Yoon, Yeosun; Gürhan-Canli, Zeynep and Norbert Schwarz. 2006. "The effect of corporate social responsibility (CSR) activities on companies with bad reputations". *Journal of Consumer Psychology*, 16 (4): 377-390. 8 October 2017